IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

INCOME TAX REFERENCE No 51 of 1987

For Approval and Signature:

Hon'ble MR.JUSTICE A.R.DAVE
and
Hon'ble MR.JUSTICE D.A.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

COMMISSIONER OF INCOME-TAX

Versus

INDU NISSAN OXO CHEMICALS LTD.

Appearance:

1. INCOME TAX REFERENCE No. 51 of 1987
MR MANISH R BHATT for Petitioner No. 1
SERVED BY RPAD - (N) for Respondent No. 1

CORAM : MR.JUSTICE A.R.DAVE
and
MR.JUSTICE D.A.MEHTA

Date of decision: 01/08/2001

ORAL JUDGEMENT

(Per : MR.JUSTICE A.R.DAVE)

1. At the instance of the revenue, following question of law has been referred to this Court for its opinion under the provisions of Section 256 (1) of the Income Tax Act, 1961 (hereinafter referred to as "the Act") by Income Tax Appellate Tribunal, Ahmedabad Bench `C'.

"Whether on the facts and in the circumstances of the case, the interest income of Rs.2,57,312 was taxable?"

2. Learned advocate Shri Bharat Naik has appeared for the applicant whereas nobody has appeared for the respondent-assessee though served.

3. Looking to the facts of the case, this Court has to decide whether interest income earned by the assessee company before commencement of its business can be taxed.

4. Looking to the law laid down by the Honourable Supreme Court in the case of Tuticorin Alkali Chemicals and Fertilizers Ltd. v. Commissioner of Income Tax, 227 ITR 172, we answer the question in the affirmative i.e., in favour of the revenue and against the assessee.

The reference stands disposed of accordingly with no order as to costs.

1.8.2001. (A.R. Dave, J.)

(D.A. Mehta, J.)

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